AR87

new file

This Listing Statement is compiled by the Exchange from documents filed by the Company in making application for listing. It is issued for the information of members, member firms and member corporations of the Exchange. It is not and is not to be construed as a prospectus. The Exchange has received no consideration in connection with the issue of this Listing Statement other than the customary listing fee. The documents referred to above are open for inspection at the general office of the Exchange.

LISTING STATEMENT No. 2230

LISTED MARCH 15, 1966
10,654,072 common shares without par value
Ticker abbreviation "TKR"
Dial ticker number 1702
Post section 11

THE TORONTO STOCK EXCHANGE

LISTING STATEMENT

THE TIMKEN ROLLER BEARING COMPANY

(An operating company incorporated on
December 16, 1904 under the laws of Ohio)

COMMON STOCK WITHOUT PAR VALUE
(Transferable in Canada in Toronto)

CAPITALIZATION AT DECEMBER 31, 1965

	AUTHORIZED	ISSUED AND OUTSTANDING	TO BE LISTED
Common Stock, without par value	12,000,000	10,654,072(1)	10,654,072

(1) Includes 18,900 shares previously issued but repurchased by the Company and now held in its treasury.

March 1, 1966

APPLICATION

THE TIMKEN ROLLER BEARING COMPANY (hereinafter called the "Company") hereby makes application for the listing on The Toronto Stock Exchange of 10,654,072 shares of its Common Stock, without par value.

REFERENCE TO ANNUAL REPORT TO SHAREHOLDERS

Reference is hereby made to the attached Annual Report to shareholders for the year 1965 which is incorporated herein and made a part hereof and referred to for additional information in connection with this statement.

HISTORY AND BUSINESS

The Company was incorporated under the laws of the State of Ohio on December 16, 1904, and today is the largest manufacturer of tapered roller bearings in the world.

In 1915 the Company commenced the production of its own steel and now is one of the nation's foremost producers of quality alloy steels and seamless tubes. Approximately one-third of the Company's yearly steel output is used in its own products, with the balance being sold to others.

The Company also manufactures removable rock bits which it sells to the construction, road building, mining and quarrying industries.

The Company has manufacturing divisions in the United States, Canada, France and Great Britain, and wholly-owned subsidiary manufacturing companies in Australia, Brazil and South Africa.

Products are sold by the Company's own sales organization. The major portion of shipments is made directly from the Company's plants; however shipments are also made from warehouses located in seventeen principal cities throughout the United States and from warehouses maintained in Australia, France and South Africa. Warehouses are also maintained by subsidiary sales companies in Argentina, Brazil, Canada, Germany, Great Britain and Mexico. The warehouse inventories of bearings and removable rock bits are augmented by authorized distributor and jobber stocks which provide local availability when service is required.

The Company and its consolidated subsidiaries have approximately 21,090 employees.

CAPITAL CHANGES

The Company's authorized capital stock at the date of its incorporation consisted of 2,000 shares of Common Stock with a par value of $100 per share. A summary of the changes in authorized capital stock since that date is as follows:

Date	Total Number of Shares Authorized		Par Value
July 19, 1918	100,000	— Common Stock	$100
July 30, 1918	33,400	— Common Stock	$100
	66,600	— 7% Cumulative Preferred Stock *	$100
August 16, 1922	1,250,000	— Common Stock	Without Par Value
December 27, 1928	2,500,000	— Common Stock	Without Par Value
June 4, 1957	6,000,000	— Common Stock	Without Par Value
April 21, 1965	12,000,000	— Common Stock	Without Par Value

* Redeemed and cancelled August 15, 1922.

SHARES ISSUED DURING THE PAST 10 YEARS

Date of Issue	Number of Shares Issued	Subscription Price Per Share	Total Amount Realized	Purpose of Issue
June 4, 1957	2,421,380			Two-for-one Stock Split.
June 13, 1957	484,276	$40	$18,905,122(1)	To provide funds for general corporate purposes.
April 21, 1965	5,327,036			Two-for-one Stock Split.

(1) After underwriting commissions and expenses of sale.

STOCK PROVISIONS AND VOTING POWERS

All shares of Common Stock have equal rights to participate in dividends declared and, in the event of liquidation, in the net assets of the Company. Each share is entitled to one vote and cumulative voting for the election of directors is permitted by Ohio law. Shareholders are entitled to preemptive rights to subscribe for or purchase any authorized and unissued shares of the Company issued for cash.

All shares of Common Stock that have been issued are fully paid and nonassessable under the laws of the State of Ohio.

DIVIDEND RECORD

Cash dividends have been paid by the Company on its Common Stock during the past 10 years as shown below:

Year	Rate (1)	Amount
1956	$1.00	$ 9,685,520.00
1957	$1.125	$11,501,555.00
1958	$1.00	$10,654,072.00
1959	$1.20	$12,784,886.40
1960	$1.20	$12,784,886.40
1961	$1.20	$12,784,886.40
1962	$1.20	$12,784,886.40
1963	$1.50	$15,981,108.00
1964	$1.80	$19,177,329.60
1965	$2.00	$21,297,934.00

(1) Based on shares outstanding at the end of each year (appropriately adjusted for the 1957 and 1965 two-for-one stock splits).

No stock dividends were paid during the period.

THE TIMKEN ROLLER BEARING COMPANY

ANNUAL REPORT

Year Ended December 31, 1965

THE TIMKEN ROLLER BEARING COMPANY
CANTON, OHIO

PRINTED IN U. S.

1965 ANNUAL REPORT

for the year ended December 31, 1965

Plants and Sales Offices	2
Directors and Officers	3
President's Letter	4-5
Consolidated Balance Sheets	6-7
Statements of Income and Consolidated Earnings	8
Notes to Financial Statements	9
Accountants' Report	10
Statements of Source and Application of Funds	11
Comparative Data	12-13

—EXECUTIVE OFFICES—

CANTON, OHIO, U. S. A.

—PLANTS—

AUSTRALIA
- Ballarat, Victoria

BRAZIL
- Sao Paulo, Sao Paulo

CANADA
- St. Thomas, Ontario

FRANCE
- Colmar, Haut-Rhin

GREAT BRITAIN
- Daventry, Northants
- Duston, Northampton

SOUTH AFRICA
- Benoni South - Transvaal

UNITED STATES
- Bucyrus, Ohio
- Canton, Ohio
- Colorado Springs, Colorado
- Columbus, Ohio
- Gambrinus, Ohio
- New Philadelphia, Ohio
- Wooster, Ohio

—SALES OFFICES—

ARGENTINA
- Buenos Aires

AUSTRALIA
- Adelaide, South Australia
- Ballarat, Victoria
- Melbourne, Victoria
- Sydney, New South Wales

BRAZIL
- Rio de Janeiro, Guanabara
- Sao Paulo, Sao Paulo

CANADA
- Montreal, Quebec
- St. Thomas, Ontario
- Toronto, Ontario
- Vancouver, British Columbia
- Winnipeg, Manitoba

FRANCE
- Colmar, Haut-Rhin
- Paris, Seine

GERMANY
- Dusseldorf, North Rhine - Westphalia
- Hannover, Lower Saxony
- Stuttgart, Baden - Wurttemberg

GREAT BRITAIN
- Bristol, Gloucestershire
- Duston, Northampton
- Glasgow
- Leeds, Yorkshire, West Riding
- London
- Manchester, Lancashire
- Wolverhampton, Staffordshire

MEXICO
- Mexico, D. F.
- Monterrey, Nuevo Leon

SOUTH AFRICA
- Benoni South - Transvaal

UNITED STATES
- Atlanta, Georgia
- Birmingham, Alabama
- Boston, Massachusetts
- Buffalo, New York
- Chicago, Illinois
- Cincinnati, Ohio
- Cleveland, Ohio
- Columbus, Ohio
- Dallas, Texas
- Denver, Colorado
- Detroit, Michigan
- Houston, Texas
- Kansas City, Missouri
- Los Angeles, California
- Memphis, Tennessee
- Milwaukee, Wisconsin
- Minneapolis, Minnesota
- Moline, Illinois
- New York City Area (Teterboro, New Jersey)
- Oklahoma City, Oklahoma
- Peoria, Illinois
- Philadelphia, Pennsylvania
- Pittsburgh, Pennsylvania
- St. Louis, Missouri
- San Francisco, California
- Seattle, Washington
- Washington, D. C.

DIRECTORS

S. F. BENNETT	Duston, England
G. L. DEAL	Canton, Ohio
J. E. FICK	Canton, Ohio
H. E. MARKLEY	Canton, Ohio
P. J. REEVES	Canton, Ohio
H. H. TIMKEN, Jr.	Canton, Ohio
JOHN M. TIMKEN	Stonington, Connecticut
W. R. TIMKEN	Canton, Ohio
W. R. TIMKEN, Jr.	Canton, Ohio
H. A. TOBEY	Canton, Ohio
WM. E. UMSTATTD	Canton, Ohio

OFFICERS

H. H. TIMKEN, Jr.	Chairman - Board of Directors
W. R. TIMKEN	President
WM. E. UMSTATTD	Chairman - Executive Committee
H. E. MARKLEY	Executive Vice President
G. L. DEAL	Vice President - Finance and Chairman Finance Committee
R. L. FREDERICK	Vice President - International Division
E. S. HOOPES, Jr.	Vice President - Steel and Tube Operations
N. H. PETERSON	Vice President - Corporate Services
P. J. REEVES	Vice President - Sales
H. A. TOBEY	Vice President - Bearing Operations
H. J. URBACH	Vice President - Engineering and Research
R. A. GULLING	Treasurer
B. R. POWELL	Secretary
D. N. BORDEN	Assistant Secretary
C. L. VAN HORN	Assistant Treasurer

TRANSFER AGENTS

Morgan Guaranty Trust Company of New York . . . . . New York, N. Y.
The Timken Roller Bearing Company at its own office.
(Paul E. George - Transfer Clerk)

REGISTRARS OF TRANSFERS

First National City Bank	New York, N. Y.
The Canton National Bank	Canton, Ohio

AUDITORS

Ernst & Ernst

ANNUAL MEETING

Third Tuesday in April at Canton, Ohio

Canton, Ohio, March 1, 1966

To the Shareholders of
The Timken Roller Bearing Company

Consolidated net sales of the Company and its subsidiaries for 1965 were $375,674,459. Income for the year, after provisions for taxes of $44,275,000 and depreciation of $12,340,986, amounted to $48,768,213 or $4.58 per share. Dividends paid during the year totaled $21,297,934 or $2.00 per share.

Current assets at the year end were $167,967,323 including $14,153,066 in cash and $29,596,519 in Government securities. Net working capital was $124,336,113 as compared with $119,059,374 at the end of 1964.

During 1965, for the fourth consecutive year, sales set a record. This achievement was the result of generally good business conditions in most markets of the world coupled with increased acceptance of our products by the industries we serve, including automotive, earth-moving machinery, farm equipment, metalworking, and railroad.

During 1965, the expansion programs discussed in my 1964 report were substantially completed with the result that the expenditures for new plant and equipment reached an all-time high of $38.7 million. Our 1966 budget for new facilities totals $30 million.

The Timken Research building will be completed and occupied on April 1, 1966. This new facility will permit us to draw together our current widely varied research and development activities in the engineering and metallurgical fields into one unit so that all may benefit from the knowledge and techniques of each.

In our Steel and Tube Division, an $8 million appropriation was authorized in August, 1965, for our first continuous casting machine. This unit will be a four-strand, curved mold design machine with the capacity to cast 110-ton heats into a 12-inch square section, which is scheduled to be in operation by November, 1967.

Also in late 1965, the Company announced a $27 million expansion and improvement program for the Canton and Gambrinus Bearing Factories. This project includes a new centralized roller manufacturing complex, an extension to the Gambrinus Bearing Factory, additional heat-treating facilities, a capacity increase at the Gambrinus steam generating plant, and the installation of more finishing equipment in the Canton Plant. Approximately three years will be required to complete these improvements.

On January 18, 1966, a $1.9 million plant expansion for Canadian Timken was announced. Included are a 30 percent increase in productive capacity within the existing factory buildings and a material enlargement in office space. This will be substantially completed during 1966.

In Great Britain, we are inaugurating programs which will result in increased productive capacity. Also planned is a modern shipping and warehousing facility.

During 1965, new three-year Labor Agreements for certain U. S. plants were negotiated between the Company and the United Steelworkers of America, AFL-CIO, covering the Basic Labor, Pension, Insurance, and Supplemental Unemployment Benefit Agreements.

As a means of further enhancing the success of our Company, the Board of Directors adopted an Incentive Compensation Plan for key executives to be effective commencing with the year 1965. Under this Plan, the Incentive Compensation Committee, of which I am a member, may make awards in cash and/or in common stock of the Company acquired for that purpose. No member of this Committee may receive any award under the Plan. The common stock in treasury shown in our consolidated balance sheets was purchased for ultimate use under this Plan.

In April, 1965, A. L. Bergstrom retired from the Board of Directors. Mr. Bergstrom, who was formerly Vice President - Engineering for the Company, served as a member of the Board for 13 years. W. R. Timken, Jr. was elected to fill the vacancy created by Mr. Bergstrom's resignation.

Respectfully submitted,

W. R. Timken

President

The Timken Roller Bearin

CONSOLIDATED

ASSETS

CURRENT ASSETS	Dec. 31, 1965	Dec. 31, 1964
Cash	$ 14,153,066	$ 16,222,706
Government securities—at cost, which is approximate market value	29,596,519	19,619,188
Trade receivables, less allowances of $716,254 at December 31, 1965, and $720,468 at December 31, 1964	34,656,219	32,777,027
Inventories—at lower of cost (first-in, first-out basis) or market:		
Finished products	$ 34,793,461	$ 32,385,559
Work in process and raw materials	46,504,957	43,131,379
Manufacturing supplies	8,263,101	7,660,089
	$ 89,561,519	$ 83,177,027
TOTAL CURRENT ASSETS	$167,967,323	$151,795,948
PROPERTY, PLANT AND EQUIPMENT—at cost		
Land and buildings	$ 64,550,334	$ 56,779,532
Machinery and equipment	199,078,699	176,970,244
	$263,629,033	$233,749,776
Less allowances for depreciation	143,411,794	134,687,248
	$120,217,239	$ 99,062,528
MISCELLANEOUS RECEIVABLES AND OTHER ASSETS	2,289,624	2,006,311
DEFERRED CHARGES AND PREPAID EXPENSES	534,950	656,381
	$291,009,136	$253,521,168

ompany and Subsidiaries
LANCE SHEETS

LIABILITIES

CURRENT LIABILITIES	Dec. 31, 1965	Dec. 31, 1964
Accounts payable and accrued expenses	$ 14,777,495	$ 15,355,346
Salaries, wages and payroll taxes	9,787,824	7,714,575
Bank loans (operations outside U. S.)	1,428,566	2,319,477
Accrued taxes	2,468,329	2,259,282
Income taxes, less Government securities of $16,486,777 at December 31, 1965, and $19,252,482 at December 31, 1964	15,168,996	5,087,894
TOTAL CURRENT LIABILITIES	$ 43,631,210	$ 32,736,574
CAPITAL AND EARNINGS INVESTED IN THE BUSINESS		
Common Stock without par value:		
Authorized—12,000,000 shares		
Issued including shares in treasury—10,654,072 shares		
Stated capital	$ 43,905,122	$ 43,905,122
Earnings invested in the business	204,349,751	176,879,472
	$248,254,873	$220,784,594
Common Stock in treasury—18,900 shares at cost	876,947	-0-
TOTAL CAPITAL AND EARNINGS INVESTED IN THE BUSINESS	$247,377,926	$220,784,594
	$291,009,136	$253,521,168

See Notes to Financial Statements

Consolidated Statements of Income

	1965	1964
Net sales	$375,674,459	$334,405,538
Other income	3,312,488	2,549,332
	$378,986,947	$336,954,870
Deductions:		
Cost of products sold	$234,201,707	$212,227,289
Selling, administrative and general expenses	50,682,950	44,775,184
Interest	274,963	600,500
Other charges	784,114	1,024,710
Income taxes:		
U. S. federal	$ 38,350,000	$ 31,150,000
Other	5,925,000	7,356,000
TOTAL INCOME TAXES	$ 44,275,000	$ 38,506,000
TOTAL DEDUCTIONS	$330,218,734	$297,133,683
INCOME	$ 48,768,213	$ 39,821,187

Note - Provisions for depreciation of plant and equipment included in the above statements of income amounted to $12,340,986 for 1965 and $11,348,416 for 1964. The U. S. tax credit allowed in each year for investment in certain depreciable property (approximately $1,125,000 in 1965 and $750,000 in 1964) has been applied to reduce the provision for income taxes in the respective years.

Consolidated Earnings Invested in the Business

Balance at January 1, 1965	$176,879,472
Income for the year	48,768,213
	$225,647,685
Cash dividends—$2.00 a share	21,297,934
Balance at December 31, 1965	$204,349,751

See Notes to Financial Statements

Notes to Financial Statements

Note A - The financial statements include the accounts of the Company and all its subsidiaries. Net current assets of subsidiaries and divisions in countries outside the U.S. amounted to $30,341,716 at December 31, 1965, and $29,949,402 at December 31, 1964; and all other assets outside the U.S. amounted to $38,051,260 and $34,269,546 at the respective dates, stated at appropriate year-end rates of exchange for all items except properties, which are stated at rates prevailing in the year of acquisition. Net income from operations outside the U.S. amounted to approximately $7,100,000 in 1965, the greater portion of which was remitted to the U.S.

Note B - The companies made payments aggregating $7,139,356 in 1965 and $5,379,524 in 1964 for cost of current and past service under the several retirement annuity and pension plans in effect. Such payments, together with payments in prior years, exceed the amount required to fund in full all retirement benefits payable to retired employees and to employees eligible for retirement at December 31, 1965.

ERNST & ERNST
706 CLEVE-TUSC BUILDING
CANTON, OHIO 44702

Board of Directors
The Timken Roller Bearing Company

We have examined the consolidated balance sheet of The Timken Roller Bearing Company and subsidiaries as of December 31, 1965, and the related consolidated statements of income and earnings invested in the business for the year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

In our opinion, the accompanying balance sheet and statements of income and earnings invested in the business present fairly the consolidated financial position of The Timken Roller Bearing Company and subsidiaries at December 31, 1965, and the consolidated results of their operations for the year then ended, in conformity with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

Ernst & Ernst

Canton, Ohio
February 22, 1966

Consolidated Statements of Source and Application of Funds

	1965	1964
SOURCE OF FUNDS		
From operations:		
Income	$48,768,213	$39,821,187
Provision for depreciation	12,340,986	11,348,416
Total from operations	$61,109,199	$51,169,603
Decrease in sundry assets	-0-	36,011
TOTAL	$61,109,199	$51,205,614
APPLICATION OF FUNDS		
Expenditures for property, plant and equipment—net	$33,495,697	$18,848,299
Payment of dividends	21,297,934	19,177,330
Payment of notes payable to banks	-0-	6,250,000
Increase in working capital	5,276,739	6,929,985
Increase in sundry assets	161,882	-0-
Purchase of treasury shares	876,947	-0-
TOTAL	$61,109,199	$51,205,614

Comparative Data

	1965	1964	1963
Net sales	$375,674,459	$334,405,538	$292,455,719
Income	48,768,213	39,821,187	30,956,105
Dividends paid	21,297,934	19,177,330	15,981,108
Income taxes	44,275,000	38,506,000	34,600,000
Income per share (Note 1)	$4.58	$3.74	$2.91
Dividends paid per share (Note 1)	2.00	1.80	1.50
Income taxes per share (Note 1)	4.16	3.61	3.25
Net current assets	$124,336,113	$119,059,374	$112,129,389
Property, plant and equipment (less depreciation)	120,217,239	99,062,528	91,562,645
Long-term bank loans	-0-	-0-	6,250,000
Capital and earnings invested in the business	247,377,926	220,784,594	200,140,737
Number of employees*	21,090	20,469	18,957
Number of shareholders*	27,130	23,881	23,553

*At end of year.

Note 1—Based on shares outstanding at the end of each year (appropriately adjusted for the 1957 and 1965 two-for-one stock splits).

1962	1961	1961 - 1965 Average	1956 - 1960 Average
$277,204,741	$240,000,943	$303,948,280	$216,360,570
25,062,604	15,987,738	32,119,169	20,548,711
12,784,886	12,784,886	16,405,229	11,482,184
27,545,000	17,230,000	32,431,200	22,968,000
$2.35	$1.50	$3.01	$1.93
1.20	1.20	1.54	1.08
2.59	1.62	3.04	2.16
$107,098,114	$ 93,062,212	$106,930,364	$ 80,323,147
92,800,621	96,757,460	99,636,106	61,875,935
18,750,000	21,875,000	10,812,500	6,000,000
185,165,740	172,888,022	199,340,365	140,691,382
19,560	19,909	19,918	16,281
24,426	24,003	24,557	22,286

FUNDED DEBT

Neither the Company nor its consolidated subsidiaries has funded debt.

RECORD OF PROPERTIES

Reference is made to page 2 of the attached 1965 Annual Report.

SUBSIDIARY COMPANIES

The following subsidiaries are included in the Company's consolidated financial statements:

Name	Jurisdiction of Organization	Percentage of Voting Securities Owned
Australian Timken Proprietary Limited	State of Victoria, Australia	100%
Duston Investments Limited	England	100%
Timken do Brasil S.A. Comercio e Industria	State of Sao Paulo, Brazil	100%
Timken Importadora S/A (1)	State of Sao Paulo, Brazil	100%
Timken Rollenlager G. m. b. H.	West Germany	100%
Timken Roller Bearing de Mexico, S.A. de C.V.	Mexico	100%
The Timken Roller Bearing Service and Sales, Limited	Province of Ontario, Canada	100%
Timken South Africa (Pty.) Limited	South Africa	100%
Timken Stockists Limited	England	100%

(1) A wholly-owned subsidiary of Timken do Brasil S.A. Comercio e Industria.

OPTIONS, ETC.

There are no options, underwritings, sales agreements or other contracts or agreements of a like nature which are outstanding with respect to any unissued or treasury shares of the Company's Common Stock.

LISTING ON OTHER STOCK EXCHANGES

The Company's Common Stock is listed in the United States on the New York Stock Exchange.

FISCAL YEAR

The fiscal year of the Company ends on December 31.

ANNUAL MEETING

The Regulations of the Company provide that the annual meeting of shareholders shall be held on the third Tuesday in April of each year (or, if that day is a legal holiday, then on the next succeeding day not a legal holiday) either at the principal office of the Company or at such other place within or without the State of Ohio as may be designated in the notice of the meeting.

HEAD OFFICE

The Company's executive offices are located at 1835 Dueber Avenue, S.W., Canton, Ohio 44706.

TRANSFER AGENTS

The Transfer Agents of the Company are:

Morgan Guaranty Trust Company of New York, 30 West Broadway, New York, N.Y. 10015.

National Trust Company, Limited, 21 King Street East, Toronto, Ontario, Canada.

In addition, the Company maintains a stock transfer office at The Timken Roller Bearing Company (Paul E. George, Transfer Clerk), 1835 Dueber Avenue, S.W., Canton, Ohio 44706.

TRANSFER FEE

No fee is charged on stock transfers other than stock transfer taxes.

REGISTRARS

The Registrars of the Company are:

First National City Bank, 55 Wall Street, New York, N.Y. 10015.

The Canton National Bank, Canton, Ohio 44702.

Montreal Trust Company, 15 King Street West, Toronto, Ontario, Canada.

OFFICERS AND DIRECTORS

Reference is made to page 3 of the attached Annual Report.

AUDITORS

The auditors of the Company are Ernst & Ernst, 706 Cleve-Tusc Building, Canton, Ohio 44702.

CERTIFICATE

Pursuant to a resolution duly passed by its Board of Directors, The Timken Roller Bearing Company hereby applies for listing of the above-mentioned securities on The Toronto Stock Exchange and the undersigned officer thereof hereby certifies that the statements and representations made in this application and in the documents submitted in support thereof are true and correct.

THE TIMKEN ROLLER BEARING COMPANY

"G. L. DEAL",

Vice President—Finance.